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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF: )  
SBC Illinois ) No. 06-0027  
Proposal to reclassify ) Public Hearing  
certain telephone )  
services in MSA-1 as )  
competitive. )

Skokie, Illinois  
February 23, 2006

Met pursuant to notice at 7:00 p.m.

BEFORE:

Mr. Robert R. Bensko, Chief Public Hearing  
Officer.

SULLIVAN REPORTING COMPANY, by  
Kathleen Maloney, CSR

1 CHIEF PUBLIC HEARING OFFICER BENSKO: Good  
2 evening, ladies and gentlemen.

3 Thank you all for coming here tonight. I  
4 am Bob Bensko. I am the chief public hearing  
5 officer for the Illinois Commerce Commission, and I  
6 am also the Homeland Security Director.

7 We are here tonight to take testimony on  
8 a case that's before the Commission with SBC. I am  
9 sure everyone has read it in the paper or gotten  
10 some type of notification about the meeting tonight.

11 If you would like to follow along the  
12 case at the Commission, I will give you the case  
13 number, and I will tell you how to log on to your  
14 computer, and then you can follow along the case as  
15 it's happening at our offices.

16 The case number is 06-0027. That's the  
17 docket number.

18 Now, to get the Commerce Commission, you  
19 do [www.icc.illinois](http://www.icc.illinois.gov), spelled out, .gov. On there,  
20 on the left, you'll see it says e-docket. Click on  
21 e-docket and put that number in, 06-0027, and you  
22 can see exactly what's going on in the case and what

1 we are doing so you can follow along without  
2 actually being at our offices.

3           The reason that we are here tonight is  
4 because we don't want you to have to come to us. So  
5 we made it simple for you to come and see us and  
6 give us testimony.

7           Now, if I walk out of this room tonight  
8 and no one has spoken on the record, it means  
9 absolutely nothing. It means that nobody cares  
10 about what's going on in this case.

11           I am not the type of person that will  
12 belittle anybody. If you step up to the microphone,  
13 I will make sure that you are respected and that  
14 what you say is taken down by our court reporter,  
15 which is sitting to the right of me and to the left  
16 of you.

17           Up here next to me seated on my right and  
18 your left is John Hester. John Hester is the head  
19 of our telecom division. He has the staff below him  
20 that are working on this case for the Illinois  
21 Commerce Commission. Then we have the  
22 administrative law judge that's hearing this case.

1                   Now, this case has a deadline, and the  
2 deadline is -- I believe is July the 12th or 13th in  
3 the case so we have to -- not we. The Commission  
4 has to come to some decision in this case by that  
5 date.

6                   I am sitting up here tonight. I will  
7 call the names in the order in which you signed up  
8 except for one or two people because we had to make  
9 some exceptions because some people had to leave  
10 here tonight.

11                  I will be nonjudgmental. I have no  
12 interest in this case one way or another because I  
13 am not supposed to. I'm probably the most impartial  
14 person in this room tonight.

15                  If you have any questions about what the  
16 Commerce Commission does, I will have a question and  
17 answer period after we do the first part, and that's  
18 take the testimony.

19                  In state law, there is no provision for  
20 cross-examination in these public hearings.  
21 Therefore, I am only here to take your statements on  
22 how you feel about the case.

1                   Now, I am going to ask a person from AT&T  
2 to step forward in a couple minutes, and since they  
3 are the ones that are asking this of the Commission,  
4 I think that they can explain their position and  
5 what they are asking for better than I can.

6                   So I am going to ask them to step forward  
7 here in a few minutes and give a brief overview of  
8 what they are asking of the Commission.

9                   I received some e-mails from past public  
10 hearings that we've had concerning, let's talk about  
11 telecom rewrite and stuff like that. I can't talk  
12 about that. The only thing that I can take on the  
13 record tonight is what's before me right now.

14                  Now, the other thing, there is a lot of  
15 people in this room tonight, and you might be afraid  
16 to speak. Don't be. If you stumble on words, I  
17 don't care. What I care most about is that you  
18 stand up there and speak tonight.

19                  When you stand up there at the podium, I  
20 want you to do two things for me: I want you to  
21 state your name and spell it so that the court  
22 reporter has an accurate record.

1           After this hearing is done tonight, that  
2 will end the four public hearings in the case.

3           The court reporter will have my record of  
4 this tonight done in ten days. I will say ten days  
5 to two weeks that I want it back. After that, this  
6 will go on the public record of the file of this  
7 case, and then it will be made available to the  
8 chairman, commissioners, staff and anyone else that  
9 would like to read it.

10           Some of you tonight might have some  
11 problems with billing or service or something like  
12 that with the company.

13           We have someone, Susan Collink. She's  
14 sitting back there in the back. She's raising her  
15 hand right now.

16           Susan will take those concerns and  
17 questions, and she will -- if she can't answer those  
18 questions tonight, I have directed her to get back  
19 to you within 48 hours. That's 48 business hours.

20           If that does not happen, I will give you  
21 one of my business cards, and you can call me, and  
22 then I will make sure that those questions are

1 answered.

2 I want everybody in the room tonight to  
3 feel comfortable about speaking, about everything,  
4 but I stress one thing: Whoever steps up to that  
5 microphone deserves respect. You might not agree  
6 with what they are saying. You might not agree with  
7 who they are representing. That does not matter to  
8 me, and it should not matter to you. The only thing  
9 that should matter to you is your own testimony.

10 So I ask you to please respect anybody  
11 that steps up there and speaks tonight.

12 John can also help with telecom questions  
13 afterwards, and he will make himself available.

14 During the question and answer period, we  
15 can answer other questions about the telecom rewrite  
16 or, you know, where it stands, stuff about electric  
17 or water or gas or other things that relate to the  
18 Commerce Commission if you have problems or anything  
19 like that.

20 So right now we'll get started. I --  
21 like I said before, I appreciate you all being here,  
22 and please anybody that can speak -- that wants to

1 speak, I am asking you to please come up and speak.

2           The first person I am going to call on  
3 from SBC is Eileen Mitchell. Eileen is the managing  
4 vice president of external affairs and government  
5 relations.

6       MS. MITCHELL: Good evening. My name is Eileen  
7 Mitchell, E-i-l-e-e-n M-i-t-c-h-e-l-l, managing vice  
8 president of external affairs and government  
9 relations for AT&T Illinois.

10           Last November, AT&T filed tariffs with  
11 the Illinois Commerce Commission declaring that  
12 residential services in the Metropolitan Chicago  
13 telecommunications market are competitive.

14           What does this mean? We are asking the  
15 ICC to recognize what Chicago area consumers already  
16 know, that there is competition for residential  
17 local service in the Chicago telecommunications  
18 market, that consumers have options when deciding  
19 how to make residential calls.

20           The ICC and the General Assembly have  
21 already declared competitive local service for  
22 business lines, long-distance service for



1 residential and business lines, numerous residential  
2 and business calling features and operator  
3 assistance.

4           Residential local service is the final  
5 segment of voice service subject to government  
6 pricing in Illinois even though consumers have  
7 choices other than AT&T services.

8           In fact, currently there are more than 70  
9 companies providing local residential service in the  
10 Chicago market. If you look at your local area  
11 phone book, you'll see there's a long list of  
12 carriers offering service in this area.

13           The ICC has acknowledged in its annual  
14 report to the General Assembly released in May of  
15 2005 that the Chicagoland area is the most  
16 competitive market in Illinois, even without  
17 considering the millions of competitive connections  
18 provided to consumers by wireless phones and Voice  
19 over Internet Protocol providers.

20           In fact, there are now more wireless  
21 phones in Illinois than traditional phone lines, and  
22 technology is advancing at the fastest pace in

1 history. Yet Illinois has not updated its  
2 telecommunications laws and policies since 2001.

3           These outdated rules simply don't match  
4 today's marketplace.

5           According to industry analysts, over the  
6 next five to ten years wireless and voice growths  
7 will outpace traditional phone lines. These  
8 technological increases are only expected to  
9 continue widening the gap between Illinois'  
10 telephone policies and the marketplace we live in.

11           I am sure we all know friends and family  
12 members who don't even have a traditional phone  
13 line. There are many people who make all of their  
14 local or long-distance calls using their wireless  
15 phones.

16           Did you know that the wireless phone  
17 market is not even regulated?

18           We are asking tonight that the ICC  
19 consider -- we are asking tonight that the ICC  
20 declare residential services in the Metropolitan  
21 Chicago telecommunications market are competitive.

22           I thank you for your time, and I look

1 forward to hearing all of your comments.

2 Thank you.

3 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
4 Eileen.

5 Remember, everyone, to state your name  
6 and spell it for the court reporter and try to speak  
7 into the mic.

8 Neil James.

9 MR. JAMES: Good evening. My name is Neil James  
10 spelled N-e-i-l, last name J-a-m-e-s.

11 And I would just like to say thank you  
12 for having these hearings across the region.

13 First, I would like to start by saying I  
14 do not use SBC who are now currently AT&T, but I do  
15 get offers in the mail all the time from various  
16 vendors.

17 Right now I use Comcast. One reason I  
18 chose Comcast is because of the three-tiered system  
19 with cable, Internet, local phone service and then  
20 cable, but -- I am happy with their service, but,  
21 however, if the prices do go up too much, or if  
22 another company is more attractive, I will certainly

1 look into looking at other options.

2 I am not opposed to using AT&T or any  
3 other company, but my point is that right now I have  
4 a choice, and I respect that we continue to have  
5 that choice, and hopefully that choice will  
6 continue, and I'll kind of leave my comments there  
7 because we have a packed house today.

8 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
9 very much, Neil.

10 Carolyn Guthman.

11 MS. GUTHMAN: I have a copy of my comments.

12 Good evening, Commissioners and Illinois  
13 Commerce Commission staff.

14 My name is Carolyn Guthman,  
15 C-a-r-o-l-y-n. G-u-t-h-m-a-n. I am here on behalf  
16 of AARP and our 1.6 million members in Illinois.

17 We'd like to thank you for this  
18 opportunity to appear and express our opposition to  
19 Illinois Bell Telephone's request to deregulate all  
20 residential telephone services in northeast  
21 Illinois.

22 Illinoisans depend on the telephone for

1 their personal health and safety. For older  
2 Americans, in particular, the ability to contact  
3 police, fire, medical and other services in times of  
4 emergency is absolutely critical.

5           Just as emergency home response systems  
6 have become commonplace in seniors' homes, these  
7 systems are dependent on land line telephone. This  
8 service is a lifeline to seniors and enables many to  
9 remain independent in their own homes. Any changes  
10 made to the regulation of telecommunications  
11 services have serious implications for Illinois  
12 seniors.

13           It will affect what they pay for services  
14 and potentially what services they use. Should the  
15 Commission approve Illinois Bell Telephone's  
16 request, there is no doubt the consumers will pay  
17 more for an essential service.

18           Now is not the time to relinquish  
19 Commission authority over residential telephone  
20 services. In AARP's opinion, robust competition has  
21 yet to become a reality for residential customers.  
22 While some maintain that wireless and Voice over

1 Internet Protocol, or VoIP, services have created a  
2 competitive market, AARP respectfully disagrees.

3           Wireless services is a complement to, not  
4 a substitute for, the basic land line telephone.  
5 Only nine percent of consumers in Illinois have  
6 given up their land line telephone for a wireless  
7 phone, and I will tell you right now I am one of  
8 your better customers.

9           I live and breathe with my cell phone  
10 24/7, but I have two lines, and I would not give  
11 them up because, with apologies to Cingular, the  
12 bars are not always available.

13           If there is a place where I am where this  
14 phone doesn't work, I have to go outside and hang on  
15 a flagpole in order to make a call.

16           The lack of service quality and  
17 reliability rule and consumer protections for  
18 wireless service demonstrates that it is not  
19 comparable considering both function and price.

20           In the same vein, VoIP also is not a true  
21 competitor. VoIP is not comparable in function to  
22 land line telephone service. The need for broadband

1 connection increases the cost of VoIP beyond that of  
2 basic land line telephone services, and many seniors  
3 can't afford that.

4 In addition, access to 911 is a safety  
5 concern to many.

6 I appreciate the opportunity to express  
7 AARP's views.

8 We urge you to reject Illinois Bell's  
9 request.

10 In doing so, you'll ensure ongoing  
11 Commission oversight of land line telephone service  
12 in Illinois.

13 CHIEF PUBLIC HEARING OFFICER BENSKO: Larry  
14 Schuler.

15 MR. SCHULER: My name is Larry Schuler, L-a-r-r-y  
16 S-c-h-u-l-e-r. I appreciate this time.

17 I am chairman of the executive board for  
18 the International Brotherhood of Electrical Workers  
19 Local 21.

20 We currently have approximately 12,000  
21 members working for a diverse group of employers  
22 mostly in Illinois and northern Indiana. Our union

1 currently represents approximately 10,000 members  
2 who are employees of AT&T. These members include  
3 customer service, technicians, sales and service  
4 representatives, project coordinators, et cetera,  
5 who work throughout the state of Illinois.

6           Clearly, in our competition, we have seen  
7 a direct correlation between loss of customers,  
8 access lines due to competition, and that relates to  
9 a reduction in AT&T work force and, therefore, loss  
10 of our members.

11           It's only common sense. Less customers  
12 equals less need for employees to serve them.

13           I started in 1971. There were 39,000  
14 people who worked for Illinois Bell. In January of  
15 2002, we had 1300,167 members of our local in  
16 Illinois who were AT&T employees. In four years  
17 that number has been reduced to 10,193. That's a  
18 loss of nearly 3,000 workers in four short years.

19           These reductions have been due to massive  
20 layoffs of over 600 members in December of 2002 as  
21 well as several smaller surpluses and losses through  
22 normal attrition which aren't replaced because of



1 loss of work due to competition.

2 In addition, as technology advances and  
3 other companies are able to provide telephony  
4 through other means such as Voice over Internet  
5 Protocol, competition will only increase.

6 Comcast who has been pretty conspicuous  
7 with their absence has announced by the end of this  
8 year, it plans to have Voice over Internet Protocol  
9 in 16 million homes in the United States.

10 The bottom line is that anyone -- the  
11 bottom line is that there is real competition in the  
12 state of Illinois.

13 Thank you.

14 CHIEF PUBLIC HEARING OFFICER BENSKO: Thanks,  
15 Larry.

16 James Carlini.

17 MR. CARLINI: Hold off a little bit, after you  
18 have a couple more.

19 CHIEF PUBLIC HEARING OFFICER BENSKO: Sure. No  
20 problem.

21 Harold, you want to come up? Harold  
22 Futransky.

1 Harold has to leave so we are going to  
2 let him go a little earlier.

3 MR. FUTRANSKY: My name is Harold Futransky, F,  
4 as in Frank, u-t-r-a-n-s-k-y.

5 I have been a resident of the Village for  
6 54 years, and during that time, I have had plenty  
7 experience with this SBC outfit.

8 Some years back I was able to switch my  
9 long-distance to AT&T and it worked out very well,  
10 and then, all of a sudden, they turn around and AT&T  
11 has been bought out by this outfit.

12 Well, I am still running a business, and  
13 I can't put my regular phones on cell phone. It  
14 just doesn't make any sense.

15 So now they've bought out AT&T, and, all  
16 of a sudden, a few weeks ago, I receive a bill for  
17 two months.

18 I called them up, and I said, I paid this  
19 bill well ahead of time, 15 days ahead of time, and  
20 why are you doing this?

21 The answer was that we don't have enough  
22 people to service the bills and they didn't get to

1 it in time.

2                   Now, you can imagine what happens if it's  
3 overdue. They are clearly charging me for that. I  
4 didn't even look. I just paid it, and that was it.

5                   These people now think that they don't  
6 require any regulation. They think -- they really  
7 do think they have a monopoly, and I hope that that  
8 isn't true. It's potentially a very, very bad  
9 situation, and I am very happy to hear that AT&T is  
10 now open for business again. I wish they would let  
11 me know.

12                   I live at 8201 Lockwood in Skokie, phone  
13 number is (847) 763-1568, and I am sure I will be  
14 very happy to go back with you. I was with you for  
15 a number of years.

16                   Whenever these people have any control,  
17 the rates just go up and up and up. They nickel and  
18 dime you to death, and anyone who is having any  
19 experience with them knows that. I hope we can do  
20 something with these people. They will probably cut  
21 off my phone service now, but whatever. I will take  
22 that chance.

1 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
2 Harold.

3 Mike Lapidus.

4 MR. LAPIDUS: Thank you. Michael Lapidus,  
5 L-a-p-i-d-u-s.

6 This microphone is very strong so I will  
7 stand back a little bit. I will be very brief.

8 There are plenty of choices when we are  
9 looking into phone service and especially in our  
10 area that -- in our phone area, we have cell phones,  
11 we have AT&T, Cingular, SBC, Comcast, Vonage, all  
12 those things that are out there that we -- that I --  
13 my wife and I personally get bombarded with each and  
14 every day, and that is to switch to this person,  
15 switch to that person.

16 So when we are talking about competition  
17 and we are talking about choices, I am -- I don't  
18 want to say sick and tired, but I am bombarded with  
19 these choices each and every day, and that is what  
20 makes our country great, is by having these.

21 I use Cingular for my cell phone. I use  
22 AT&T for my long distance at work. I use SBC for a

1 home phone line, and so all of these choices are all  
2 bundled up into my personal life, and so each time  
3 we've moved and each time we've gone to different  
4 places, we've looked into the competition out there,  
5 and we seem to always come back to SBC, and we seem  
6 to always come back to AT&T, and sometimes to MCI,  
7 because those are the competitive rates out there.

8               So, you know, when we talk about this  
9 ruling and we talk about what's going to happen, I  
10 mean, it's pretty clear that we have this  
11 competition out there and that it's very important  
12 as Americans, very important as Illinoisans that we  
13 keep this competition and we keep prices low.  
14 That's what's going to make this economy run  
15 smoothly.

16               Thank you for my time, for your time. I  
17 yield the floor.

18       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
19 Mike.

20               Steve Palmer.

21       MR. PALMER: Hi. How are you? My name is Steve  
22 Palmer. That's P-a-l-m-e-r. I drove up here from

1 LaGrange, Illinois, to voice some concerns, I guess,  
2 and that is that I do think that our phone service  
3 is fair and clear and there are many choices out  
4 there, as you have heard a million times tonight,  
5 and somebody's cell phone is ringing now. As you  
6 have pretty of time and cause there are a lot of  
7 choices out there.

8           I am actually a little excited about the  
9 new changes with the SBC/AT&T stuff because to me  
10 that means that there is a company that is solid  
11 that's going to be there that has the infrastructure  
12 that's going to take care of phone service, and it  
13 makes me, as a customer, happy to know that.

14           I have had experiences with switching  
15 phone lines because this guy calls and says, I can  
16 save you money and I can do this and that, and then  
17 when you switch your service to somebody else, you  
18 find out that it wasn't quite what they said it was  
19 going to be or vice versa. I have never had that  
20 problem with AT&T, SBC and that situation.

21           In our business, we happened to switch  
22 our phone service because in the business end of

1 things, it was opened up to any services -- people  
2 can bid on your services and all that. We switched  
3 our service to a service that came in and said this  
4 is the service they can provide and they can save us  
5 all this money, and they went bankrupt in little  
6 over a year, and our phone lines were completely  
7 screwed up -- we are in the restaurant business --  
8 for about two weeks before we got everything  
9 straightened out, and we are back to SBC.

10               Why? Because it's reliable service.  
11 It's service you can count on. It's a company  
12 that's going to be there and stand for it.

13               We need a little bit of that in this  
14 market. We need a little bit of not giving  
15 everything to everybody, and it's more of being able  
16 to rely on companies that are solid and good and  
17 there.

18               So I do think there is plenty of choices  
19 out there. I have made a few mistakes with some of  
20 my choices, and I have come back to these. I am  
21 glad to see what's going on there and hope it's to  
22 continue.

1 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
2 very much, Steve.

3 Anne.

4 MS. MCKIBBIN: Hi. My name is Anne McKibbin,  
5 A-n-n-e M-c-K-i-b-b-i-n, and I'm a senior policy  
6 analyst with the Citizens Utility Board.

7 I came here tonight to talk about the  
8 need to ensure that Illinois residents have access  
9 to affordable basic telephone service.

10 While it's often taken for granted, local  
11 phone service is a necessity in all our lives. And  
12 so I ask the Illinois Commerce Commission to  
13 maintain their control over rates for basic services  
14 and ensure that they stay affordable.

15 While consumers may have options when it  
16 comes to some phone services, none of those options  
17 are equivalent to our most basic services that are  
18 currently provided by AT&T. Rather, wireless and  
19 cable and voice over IP companies offer fancy  
20 packages that are generally twice the price of basic  
21 phone service. Paying twice as much for phone  
22 service is not a good option for anyone, but it's



1 especially bad for senior citizens on fixed incomes  
2 and working families that are trying to make ends  
3 meet.

4           Any increase in the rates for the most  
5 basic phone services could result in people having  
6 to disconnect from the telephone system altogether  
7 because there is no competitive market to keep rates  
8 for these basic services down.

9           Those rates -- it's reasonable to believe  
10 that those rates may go up if they are deregulated.

11           In Chicago, one in ten families already  
12 can't afford to have a phone. That's a land line  
13 phone or a wireless phone. And that's about twice  
14 the national average.

15           A sharp increase in rates would only make  
16 matters worse.

17           When it comes to AT&T's local standard  
18 rates, there is no competition. And as a result,  
19 customers rely on the ICC to keep rates affordable.

20           I ask the ICC to defend consumers and  
21 continue to protect them through rate oversight.

22           Thank you for your time.

1 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
2 Anne.

3 Patricia McDonagh.

4 MS. McDONAGH: Good evening. I am Patricia  
5 P-a-t-r-i-c-i-a M-c-D-o-n-a-g-h.

6 And I just came here this evening as a  
7 residential consumer of telephone service, and my  
8 experience has been that I have taken advantage of  
9 the competition in phone service. I regularly have  
10 switched services between SBC, MCI, Sprint,  
11 companies that I am sure I can't remember or may not  
12 be in existence or merged or changed their names or  
13 whatever, but I feel that there is plenty of healthy  
14 competition in the Chicago area which is where I  
15 live, and I have myself switched -- anytime I get  
16 something in the mail where somebody says, switch  
17 your phone service and we'll give you \$50, I am the  
18 first one to sign up. If I think that I can make a  
19 little profit here or there... It gets old after  
20 awhile, but I just came to say that my experience is  
21 I am bombarded with solicitation to change phone  
22 service. To me that equates to healthy competition.

1 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
2 Patricia.

3 Bette Gilbert.

4 MS. GILBERT: I am not actually feeling that I  
5 have anything to say other than I really am glad  
6 that I came here tonight. I have no things to talk  
7 about. I am completely okay with the service that I  
8 have and all, but it's just a wonderful thing for a  
9 person like myself who lives alone and is making  
10 things go along like that. I really, really  
11 appreciate something like this because this is a  
12 beautiful situation.

13 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you.

14 Ma'am, could you spell your name for the  
15 court reporter?

16 MS. GILBERT: I am sorry. Bette, B-e-t-t-e,  
17 Gilbert, G-i-l-b-e-r-t.

18 Thank you.

19 CHIEF PUBLIC HEARING OFFICER BENSKO: Tony  
20 Tellez.

21 MR. TELLEZ: Good evening. My name is Tony  
22 Tellez. Tony, T-o-n-y Tellez, T, as in Tom,

1 e-l-l-e-z.

2 I would like to say that for the last 100  
3 years Illinois Bell, Ameritech, SBC and now AT&T has  
4 set the standards of the telephone industry for the  
5 service that they provide to the customers. Of  
6 course, it's not a perfect world, but they do strive  
7 to set the standards for the service, not only for  
8 their customers but also for their workers, to  
9 provide them a livelihood that they can support a  
10 family with and look forward to a pension.

11 I just want to leave you with one  
12 thought, that when there's a loss of business lines,  
13 LAN lines, as we've heard, you also have a loss of  
14 workers. So just something to think about.

15 Thank you.

16 CHIEF PUBLIC HEARING OFFICER BENSKO: Paul.

17 MR. HOWLETT: Good afternoon. My name is Paul  
18 Howlett, H-o-w-l-e-t-t.

19 I'm a long-time employee of Illinois  
20 Bell, SBC, Ameritech, powered by AT&T, or AT&T  
21 powered by SBC.

22 When I started with this company it was

1 in 1969, and to be here to tonight to think about  
2 competition, back then, it was unheard of. Who  
3 would ever think there would be such a thing as  
4 competition? But it's here. So I woke up this  
5 morning and I said, well, how much competition is  
6 it; is it really competition?

7               So I went on my DSL line and I said, let  
8 me see. There are other companies we can get local  
9 service.

10              Now, I brought you some information if  
11 you could follow along with me here. If you look at  
12 item number 1, I put -- if you look at the bottom,  
13 the date is today's date, February 23, 2006.

14              I said, well, let me see if I can find  
15 it. I went to Google. I said telephone service,  
16 you know, local telephone service. It gave me three  
17 providers right there. SBC, my phone company and  
18 OPEX.

19              I said, well, okay. Well, let me see  
20 what else is in there. And I put my address in  
21 there, and it said I can get these right now. And  
22 so I looked a little further, and I found, if you

1 look at item number 2, there were 22 other providers  
2 that provide local service and Internet and various  
3 other types of service.

4 I said, well, let me look a little  
5 further here. Let me just actually see if I wanted  
6 to change service. Well, let's compare prices, see  
7 if it's going to be to my advantage. Let's look at  
8 the three they gave me.

9 And so I put in there, and they are there  
10 to provide local telephone service. And on SBC  
11 their package was 27.95. Well, we will look at my  
12 phone company, which is a VoIP. Their service was  
13 19.99. Well, let's try OPEX. Their service was  
14 14.99, and those two companies are nonregulated,  
15 and, yes, they are providing local service, as you  
16 see.

17 I received also an e-mail which probably  
18 went to everybody within AT&T. And it's stated in  
19 there that AT&T is losing 125,000 lines a month.

20 When we say access lines, we mean lines  
21 to access the telephone system. When you pick it  
22 up, you can get in the network and call who you want

1 to call.

2 Well, 125,000 lines a month, that equates  
3 to a Lansing, Michigan, or a Springfield, Illinois,  
4 a Youngstown, Ohio, a Green Bay, Wisconsin, or even  
5 a South Bend, and we are talking about gone. When  
6 they are gone, they rarely come back.

7 Now, when we lose these lines, we are  
8 losing customers. When we lose customers, we lose  
9 jobs, and in 2002, the first time in our union's  
10 history, we lost over 600 jobs, and they are gone.

11 There was a layoff because the work just  
12 was not there, and why is it not there? Because of  
13 competition. Competition is here, and I believe  
14 it's here to stay and it's healthy, but the down side  
15 is a loss of jobs.

16 So we are here tonight to determine if  
17 there's competition, and I am here to say I believe  
18 there is, and I submit some information to prove  
19 that.

20 Thank you.

21 CHIEF PUBLIC HEARING OFFICER BENSKO: Thanks,  
22 Paul. Jim Haptonstahl.

1       MR. HAPTONSTAHL:   Good evening.   I am Jim  
2   Haptonstahl.   That's spelled J-i-m Haptonstahl,  
3   H-a-p-t-o-n-s-t-a-h-l.   There might be a SBC and  
4   AT&T in there somewhere.

5               I am here as a private citizen to share  
6   my perspective as a telecommunications customer of  
7   four separate companies, Verizon for cell phone and  
8   wireless, Comcast for TV cable and computer  
9   broadband Internet service, SBC/AT&T for land line  
10   and local service and Excel for long distance.

11              We are definitely getting the full-court  
12   press from Comcast for both local and long-distance,  
13   an offer that my wife and I are seriously  
14   considering.

15              While we've also considered just getting  
16   rid of the land line because, with two teenage  
17   girls, we've also considered getting rid of our  
18   wireless as well.

19              Cost is our main concern in this  
20   telecommunications-addicted world.   I think George  
21   Bush said we are addicted to oil, with which I  
22   agree, but we are also addicted to our



1 telecommunications devices and the systems, but we  
2 want to see cost containment, we want to see  
3 competition, and we want our land line.

4           We see intense competition and various  
5 and multiple options available to us in this market,  
6 and we welcome the expansion of competition.

7           Thank you for your time.

8       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
9 very much.

10           Pat Varga.

11       MS. VARGA: My name is Pat Varga, P-a-t V, as in  
12 Victor, -a-r-g-a.

13           We have used all sorts of different  
14 telecommunications companies.

15           I remember when my father-in-law worked  
16 for Western Electric, and then they changed it, and  
17 everything became this and that, and I remember all  
18 the different names, and I have used these different  
19 companies.

20           I have actually two comments. One, I  
21 urge that you approve AT&T's request because it  
22 seems to me that, even when I have changed

1 companies, for my land line, nobody ever came out  
2 and changed all the wires and poles, and I am under  
3 the impression that Western Electric, AT&T, SBC,  
4 whatever it was called then, is the one footing the  
5 bill, putting all this up, which means they have to  
6 keep it up and where does all this extra money come  
7 from?

8                   And the other thing is that I now have  
9 three adult children who live all over the children,  
10 and the best way in the world to keep in touch with  
11 them is through these wireless phones because you  
12 can go to all sorts of different companies because  
13 there's such great competition and get rates for  
14 next to nothing, which is wonderful when you want to  
15 spend an hour on the phone talking to your kids.

16                   So I do urge you to approve AT&T's  
17 request and leave competition because I think  
18 because, without competition, we wouldn't be the  
19 country we are today.

20                   Thank you.

21       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
22 very much, Pat.

1 Linda Kimball.

2 MS. KIMBALL: Good evening. My name is Linda  
3 L-i-n-d-a K-i-m-b-a-l-l.

4 I come representing an agency -- I am the  
5 director of an agency that serves seniors, an agency  
6 of over 13,000 members here in the North Shore, and  
7 I am very aware of how regulatory changes impact  
8 seniors that are on fixed incomes, and it's our  
9 understanding under this filing that the lifeline  
10 and the universal service eligibility criteria will  
11 remain the same.

12 We are very pleased about that, and we  
13 are also very pleased that the credits that  
14 people -- that consumers will be getting under these  
15 programs will remain in place and that the  
16 eligibility criteria they are at, and we think it's  
17 very important for our seniors, and we would like  
18 you to be mindful of that.

19 Thank you.

20 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
21 Linda.

22 Kevin Flynn.

1       MR. FLYNN:   Hello.   My name is Kevin Flynn

2   K-e-v-i-n F-l-y-n-n.

3               I have lived in Chicago my whole life,  
4 and every time I send my \$500 gas bill and my \$200  
5 Commonwealth Edison bill in, I really wish there  
6 were competition in that field, but when it comes to  
7 the phones, I'm sort of -- I'm not so young that I  
8 want to get rid of my land line like I know a lot of  
9 younger people -- I went back to school recently,  
10 and a lot of the young people, they never even had a  
11 land line, and they don't want one, but I am sort of  
12 old fashioned. I use my cell phone most of the  
13 time. My wife does. We are always using our cell  
14 phones, and we were thinking why are we paying all  
15 this for the land line, but we still don't want to  
16 get rid of it.

17              I talked to some of my neighbors, and  
18 they have RCN, which is a land line, and they offer  
19 packages that are very competitive. They offer  
20 cable, phone, everything, local, everything bundled  
21 together, and my neighbors are all very happy with  
22 their service with that. So we are thinking about

1 that and also maybe going through the VoIP, and I  
2 notice -- I have had cable -- high speed cable modem  
3 for about seven years now, and in seven years, the  
4 cable has only been down maybe a total of maybe 5 to  
5 12 hours, a few times -- one day it was three or  
6 four hours.

7               So a lot of older people might not be  
8 comfortable with that, but overall I think cable is  
9 very, very reliable.

10              So I just think there's clearly a lot of  
11 competition and, you know, with either land-based  
12 for different people that want to get on computers  
13 or just -- they have things now for your cell phones  
14 that you can hook up into like a base in your house,  
15 and it can be just like a land-based phone, but, of  
16 course, it's not wired. I think there's so many  
17 different choices out there for consumers, and like  
18 the previous speaker just said, there is -- I didn't  
19 know that, but there's protections for seniors. So  
20 I think it's a good idea. I think there's  
21 definitely a lot of competition, and that's it.

22       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,

1 Kevin.

2 Frances Roehm.

3 If I butcher your name tonight, it's not  
4 on purpose.

5 MS. ROEHM: That's okay. The rain from Spain.

6 I am Frances Roehm, F-r-a-n-c-e-s  
7 R-o-e-h-m, and I am here tonight as a consumer and  
8 as a librarian who assists individuals in finding  
9 information, getting access to telecommunications  
10 equipment, training and so forth.

11 I'm employed by the library down the  
12 street, the wonderful Skokie Library. We have over  
13 300 computers for people, and they are busy all the  
14 day long. There are a lot of people without access  
15 to information. There are people without access to  
16 quality information, and I am concerned about it.

17 And I will get into that in just a  
18 minute. My remarks are short, very brief, but I  
19 also wanted to speak as a consumer. It costs me  
20 almost \$200 a month for DSL, for cable, for my land  
21 line, for my wireless, and I think that's a pretty  
22 steep amount of dollars, and locally we don't have

1 competition with cable.

2 RCN is always near bankruptcy. We have  
3 Comcast, and for a couple of the other items,  
4 there's not true competition either.

5 What I would like to see is that you not  
6 make a determination yet. I would like to see the  
7 dialog broadened. I would like to see public  
8 hearings. I would like to see input from people all  
9 over the state, and if you would like the use of the  
10 Skokie Library to have some hearings, I will help  
11 you in doing that, just to reach more people.

12 What are the pluses for telephone, for  
13 cable, for all the above?

14 I would also like to see you invite the  
15 FCC to come to Chicagoland and talk about better  
16 definitions, data cooperation and cooperation in  
17 making federal, state and local decisions on issues  
18 of competitiveness and wire issues.

19 I would also like to see ICC and  
20 telecommunication carriers cooperate to undertake  
21 special or annual surveys.

22 I think the State of Illinois has been

1 left behind. The nation is 16th in the world in  
2 broadband. The state is 26th among the other  
3 states, and, frankly, when I moved here as a  
4 librarian, it wasn't that way.

5 We've fallen steadily behind, and the  
6 prices go up.

7 So I would ask that you hold off on any  
8 decision-making regarding this issue and get broader  
9 perspectives.

10 So thank you for letting me speak, and if  
11 I could, I would like to give you my attachments  
12 here.

13 CHIEF PUBLIC HEARING OFFICER BENSKO: Sure.

14 I will explain one thing on your question  
15 about not voting on this.

16 The Commerce Commission has no -- there's  
17 no way to continue this. Once it's filed, we have  
18 to -- we have to make a decision, but as far as the  
19 telecom rewrite, Frances, that's where the other can  
20 be brought in.

21 Karen Coates.

22 MS. COATES: Hello. My name is Karen Coates,



1 K-a-r-e-n C-o-a-t-e-s, and I'm a service  
2 representative for SBC/AT&T in Arlington Heights.

3 I started personally with the company  
4 back in 1986, and when the company actually first  
5 started the consolidations after the competition  
6 actually first began, they closed the Waukegan  
7 office, and when they closed the Waukegan office, I  
8 followed the work to Milwaukee, and then when they  
9 closed the Milwaukee office, I followed the work  
10 down back here to Arlington Heights.

11 Day in and day out, I am -- I constantly  
12 get calls from customers that are questioning what  
13 kind of rates we have, comparing actually from  
14 different customers and different companies that  
15 they can, in fact, actually go to.

16 What's happening now, though, is that the  
17 company is now again trying to offer another surplus  
18 to the consumer offices because, again, we just  
19 don't have the call volumes anymore, that we will  
20 sit actually waiting for customers to call in for  
21 new service.

22 I am afraid if they close Arlington

1 Heights, I am not going to be able to necessarily  
2 follow the work any place closer to home, and that's  
3 important for me and my family just because I am  
4 pretty close to my folks and I'd like my son to be  
5 around them.

6                   So again I have to urge that the ICC  
7 would actually conclude for competition.

8       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
9 Karen.

10                   Mr. Carlini, would you -- do you want to  
11 wait?

12       MR. CARLINI: No. I will go now.

13                   My name is James Carlini, James and then  
14 C-a-r-l-i-n-i.

15                   I am president of Carlini & Associates  
16 Incorporated, a management consulting firm in  
17 Hinsdale and East Dundee, Illinois.

18                   I provide executive advising and expert  
19 witness services in both civil and federal court.

20                   I am also an elected official. I'm a  
21 trustee in East Dundee.

22                   I also serve on the Fox Valley Regional

1 Cable Commission that reviews and maintains the  
2 franchise agreement with Comcast for eight  
3 communities.

4 I am here strictly independently to offer  
5 an in-depth perspective on the big picture of  
6 competitiveness that may not be heard but is needed  
7 to be heard in order to make an informed decision  
8 that benefits everyone in Chicagoland and puts  
9 Illinois back into a leadership position instead of  
10 a lagging-behind position which is where it clearly  
11 is today.

12 My experience also includes being  
13 consultant to the mayor's office for the preliminary  
14 and conceptual design of the City of Chicago's 911  
15 Center, as well as advising the Chicago Mercantile  
16 Exchange, Sanwell Bank, Sprint, GBC, Globex, the  
17 Pace National Technology Park and many other  
18 organizations with mission-critical networks, call  
19 centers and large developments.

20 I have also written and spoken on  
21 municipal broadband initiatives as well as network  
22 security and e-911 at major conferences as well as

1 courses at Northwestern University which I have been  
2 an adjunct faculty member for over 18 years.

3           There is a definite clash of what does  
4 competitive mean and who should be allowed to  
5 develop last mile infrastructure.

6           Be it in the city of Chicago or elsewhere  
7 in the state, we need to have new capabilities and  
8 what some may think of as ungodly speeds.

9           Define universal service today. Is it  
10 really basic voice service? What should it include?

11           What if I said one gigabit of speed for  
12 everyone?

13           That should be the target for everyone  
14 delivered at a very inexpensive rate.

15           You have heard testimonies from many  
16 people with various interests and concerns.

17           I am here to tell you that we are beyond  
18 the digital divide and into the digital desert,  
19 where everyone is affected at all economic levels  
20 when infrastructures are not robust.

21           All levels of communities are affected  
22 when you do not have a state-of-the-art network

1 infrastructure in place to serve both the needs of  
2 the individuals as well as the needs of the  
3 businesses within those communities. Jobs diminish  
4 and people leave.

5 Chicago has dropped into fourth place in  
6 population and is now behind Houston.

7 Having a copper-based infrastructure that  
8 delivers voice services on the last mile is very  
9 limiting and not conducive to attracting many  
10 businesses.

11 Some municipalities have seen this  
12 firsthand and are looking at real alternatives that  
13 may or may not rely on incumbent telephone company  
14 solutions.

15 Here in Illinois we don't have a true  
16 broadband initiative as they do in California where  
17 their motto is one gigabit or bust by 2010, which  
18 means they want to have connections to everyone in  
19 all economic strata at one gigabit per second.

20 Chicago, as well as other areas, would  
21 benefit if an initiative was in place and promoted,  
22 and that would also create a lot of jobs.

1                   This is not the same thing as having.

2                   DSL connectivity to everyone, which is  
3 much slower.

4                   I have published articles where I have  
5 made the analogy that putting DSL on copper is like  
6 putting a vinyl top on a stage coach in the area of  
7 the space shuttle.

8                   You may say that in California they are  
9 considered more high tech, a more high tech state.  
10 The shame is that we are also behind other states  
11 including Iowa and Kentucky which has a fairly  
12 well-defined broadband initiative that is highly  
13 touted by its governor.

14                  There are dramatic speed differences  
15 comparing fiber-optic to other transmission media  
16 like both copper and wireless.

17                  I have clearly depicted this on a chart  
18 and I have used it in several articles I will share  
19 with the Commission, but just to give you an  
20 example, on a dial-up line, on a voice line, if I  
21 was to download a 90-minute video, like watch you  
22 every day, it takes a gigabit of storage in order to

1 hold that videotape, and let me translate that into  
2 everyday terms.

3           To download it on a dial-up line for a  
4 90-minute video, it would take me 17.7 days to drop  
5 that down.

6           On DSL, which some people have along with  
7 their voice services, that goes down, but it doesn't  
8 go down that much. You still need 15.9 hours to  
9 download a 90-minute video.

10           On fiber-optics, you download it in eight  
11 and a half seconds.

12           There should be no restrictions on who  
13 can enter the last-mile market, and there should.

14           Be an encouragement in the form of  
15 regulatory policy as well as hard dollars to build  
16 this infrastructure into something that will.

17           Regain the global competitiveness that  
18 this state needs.

19           We should be aiming very high instead of  
20 trying to protect the status quo or business miles  
21 that have been deemed obsolete through modern  
22 technology.

1           Everyone should be on the same page as.

2           To making this happen, and I mean

3 everybody, municipalities, businesses, the.

4           Carriers, competitive carriers, as well

5 as individuals.

6           This state needs to take a serious look

7 at having a broadband infrastructure in place to

8 attract and maintain economic viability not only in

9 Chicago but statewide.

10           Economic development depends on broadband

11 connectivity, and broadband connectivity equates to

12 jobs.

13           Thank you for your time.

14       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,

15 James.

16           Dave Rogers.

17       MR. ROGERS: D-a-v-e R-o-g-e-r-s.

18       CHIEF PUBLIC HEARING OFFICER BENSKO: Can I

19 interrupt you for a second, Dave?

20           If anybody else wants to speak on the

21 record, I need you to go over and sign up right now.

22 Has anybody changed their mind? Thank you. Go



1 ahead, Dave. I am sorry.

2 MR. ROGERS: Well, a couple of people tonight  
3 have referred to giving up your land line. As one  
4 of those kids who gives up the land line, I  
5 appreciate that. I haven't been called a kid in an  
6 awful long time.

7 Two years ago I gave up my land line.  
8 All I use at home is the cell phone. I have had  
9 perfectly good experience with it over the last two  
10 years. I use a different -- I use US Cellular for  
11 my cell phone. I use Comcast for my Internet and  
12 cable.

13 I do believe there is competition. I  
14 guess I'm a little bit of an example of it in that  
15 sense.

16 I understand some of the issues brought  
17 up tonight, but in my experience, and I spent almost  
18 20 years with an international consulting firm,  
19 competition is good. In the short-term, sometimes  
20 there are the issues of job loss, but in the  
21 long-term, it makes the whole environment, economic  
22 environment, stronger.

1           Also as a side point, my girlfriend just  
2 switched over from SBC, I guess, to Comcast for her  
3 local and long-distance service.

4           So there is -- in my mind, there's no  
5 doubt there's competition available out there today.

6           Thank you.

7       CHIEF PUBLIC HEARING OFFICER BENSKO: Thanks,  
8 Dave.

9           Sam Dubin.

10       MR. DUBIN: I'm Sam Dubin, S-a-m D-u-b, as in  
11 boy, i-n.

12           I am secretary of the board of the  
13 Crawford McCormick Property Association, and I am  
14 here to represent the board.

15           I don't want to mirror anybody else's  
16 talk, but we are in agreement with what the people  
17 from AARP and CUB have said and just to deregulate  
18 would only cause higher rates which we feel is  
19 unnecessary.

20           Thank you.

21       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
22 very much.

1 Tom Mahoney.

2 MR. MAHONEY: Tom Mahoney, M-a-h-o-n-e-y.

3 Thanks very much for coming to us so we  
4 don't have to go to you.

5 I'm probably one of the few people in  
6 this room that has personally profited by the 1996  
7 Telecommunications Act since I have worked for some  
8 of the competition for the current AT&T.

9 I have worked for Empower and for McLeod  
10 Communications, Telecommunications, and for RCN, but  
11 I am not taking complaints for RCN. I no longer  
12 work for them.

13 I'm a consumer, and I am here to speak to  
14 what I believe is I've lived the competition. I  
15 have worked for the competition. I have Empower for  
16 my local home number. I have T Mobile for my mobile  
17 phone. I have AT&T for my DSL.

18 And the merger has been beneficial to me.  
19 The DSL cost has been cut in half since the merger.  
20 So I am living proof that there is competition.

21 Thank you.

22 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,

1 sir. Don Samuelson.

2 MR. SAMUELSON: My name is Don Samuelson,  
3 S-a-m-u-e-l-s-o-n.

4 I grew up in Niles Township, went to  
5 Niles High School. I live in Lake Forest, work in  
6 Chicago and have been engaged in the development and  
7 management of low-income housing throughout the  
8 Chicago Metropolitan area throughout the past 30  
9 years.

10 In 1998 I intervened in the Ameritech SBC  
11 merger on behalf of underserved markets, the  
12 so-called digital divide.

13 It's difficult to make meaningful  
14 comments on a single telecom tariff proposal, like  
15 the state of competition in Chicago for basic land  
16 line telephone service, because of rapid changes in  
17 technologies and the differing needs of market  
18 segments, as were illuminated by Jim Carlini.

19 There's a great need for stepping back  
20 and putting telecom needs and services into context  
21 particularly for seniors, as you have heard about  
22 tonight, the disabled, the poor, CHA residents, the

1 market segments most, quote, in need. Their needs  
2 and contributions and part of the overall network of  
3 a communication system are important contributions  
4 to the growth and success and livability of the  
5 Chicago marketplace.

6           It appears from other testimony tonight  
7 and the earlier meeting that you had at Malcolm X I  
8 attended a week ago that for many in Chicago cell  
9 phones are their primary communication device, land  
10 lines are used for emergencies, there are many  
11 service options, the incumbent phone company is a  
12 good place to work, source of jobs and core of the  
13 economy, and the promotion of competition is a good  
14 thing.

15           For businesses and for most families in  
16 the Chicago area, there appears to be a good and  
17 competitive marketplace for telecommunication  
18 services for the most and for most telecom users.

19           However, the current copper lines  
20 servicing Chicago customers were installed under a  
21 monopoly phone system when service costs were based  
22 on rates of return on monopoly investment.

1           The basic telecom infrastructure that Jim  
2 thinks may be antiquated at the moment was not  
3 financed with risk capital. Returns were  
4 guaranteed.

5           In return for this protected investment  
6 system, the phone companies were obliged to provide  
7 a dial tone, emergency services, access to  
8 installation and service subsidies referred to by  
9 the lady earlier and a variety of other services  
10 that were, quote, in the public interest.

11           The basic goal was universal service with  
12 all Americans connectible to the phone system, where  
13 everyone would be connected at some minimal level.

14           There were social value in giving  
15 everyone access to America's phone network.

16           The cable companies and the wireless  
17 providers don't have the same public interest  
18 obligations as the history of phone companies in  
19 Illinois from Illinois Bell to the current. The  
20 Bells perhaps properly cried foul. However, the  
21 other telecom providers made purely private sector  
22 investments in their network. They were not part of

1 a, quote, deal to get investment protections in  
2 exchange for public services.

3               So what's the big deal?

4               First, there is no real competition in  
5 Chicago for basic land line services for markets  
6 with limited needs. There is not even meaningful  
7 communication by the phone company to customers  
8 explaining the types of installation and service  
9 subsidies like lifeline and link-up that are  
10 available to these markets.

11              The only public interest protection for  
12 these markets in the current regulatory control is  
13 the current regulatory control provided by the  
14 Illinois Commerce Commission. There is no market  
15 discipline being provided by a competitive  
16 marketplace for these markets.

17              To eliminate regulatory controls without  
18 some alternative migratory developmental protections  
19 would leave these fragile markets vulnerable to  
20 increased cost, reduced service quality and the  
21 vagaries of a monopoly service provider.

22              Second, cell phones and other wireless

1 alternatives, even if they were affordable to these  
2 disadvantaged markets, don't have the reliability to  
3 meet the needs of emergency services for seniors and  
4 others.

5           At the present time, the land line is the  
6 only service with acceptable reliability and service  
7 quality for the fundamental purposes of maximizing  
8 the percentage of residents who have access to  
9 emergency services and the telecommunications  
10 systems in the Chicago area.

11           Third, the current phone line is the  
12 only, quote, last mile of communications  
13 connectivity for the majority of Chicago area  
14 residents and particularly those with limited needs.

15           Voice over IP services require a  
16 broadband connectivity. Cable services are too  
17 expensive for many. The affordable Wireless Chicago  
18 proposal or the expression of wireless Stokly  
19 (phonetic) are thoughtful programs still in the  
20 planning stages.

21           Broadband over Power Lines and  
22 connectivity through electric lines are possible



1 relevant technologies in the future, but in the here  
2 and now, Bell System land line copper connection is  
3 the only universal connection service. It needs to  
4 continue to serve the public interest for which it  
5 was designed, making sure that everyone has at least  
6 a minimal level of connection to the telecom  
7 networks and to the emergency services available  
8 over phone lines.

9               This is particularly important in an era  
10 when the cable companies have succeeded in  
11 prohibiting third party their last mile lines and  
12 networks and the phone companies, on a level playing  
13 field argument, have nearly achieved the same  
14 exclusionary result.

15              If there is no public control over the  
16 provision of basic land line services to underserved  
17 and needy markets, for those services being provided  
18 through the copper lines, basic- and DSL-  
19 engineered, financed under a monopoly environment,  
20 the historical universal service compact can be  
21 broken and under last mile restrictions new and  
22 innovative services relevant to these needy markets

1 can be limited.

2                   There wasn't any real attention to the  
3 impact on the digital divide or the impact on the  
4 underserved or disadvantaged markets when the  
5 Ameritech/SBC merger was approved by the ICC in  
6 September of 1999.

7                   I spent about 600 hours involved in that  
8 as a pro bono service so I am quite familiar with  
9 the details of those discussions.

10                  There was a token digital divide fund of  
11 \$7.5 million that was provided as part of that  
12 merger, which was distributed in grants to community  
13 technology centers.

14                  The situation today is far more critical.  
15 It involves protecting the interests of those who  
16 are dependent today upon an affordable and reliable  
17 basic telephone service with a future of increasing  
18 understanding for them of how broadband and Internet  
19 services can enrich their lives through the  
20 innovations developed by existing and I think  
21 developing robust competition in the marketplace.

22                  It would be a tragic mistake now for the

1 ICC to eliminate their current regulatory control  
2 over basic land line services until the marketplace  
3 alternatives to the disadvantaged and underserved  
4 telephone markets in Metro Chicago are fully  
5 understood.

6           Mere talk about the availability of cell  
7 phones, the desirability of competition and a  
8 competitive marketplace that does exist for upgraded  
9 services ignores the real needs of the disadvantaged  
10 and poor and the historic investment that was made  
11 in protecting their interests when the Bell System  
12 created its network to serve them and others as part  
13 of the monopoly regulatory system that existed for  
14 most of the 20th Century.

15           Thank you very much, and I appreciate the  
16 opportunity to testify before you.

17       CHIEF PUBLIC HEARING OFFICER BENSKO: Susan  
18 Rayna.

19       MR. RAYNA: Good evening. My name is Susan  
20 Rayna, R-a-y-n-a.

21           I come here today just representing  
22 regular home owners.

1                   I see myself as an informed consumer,  
2 and, as someone who moved a couple years ago, had to  
3 find an Internet provider, phone provider, broadband  
4 provider, phone lines, cell phones, everything, I  
5 feel there's a lot of options available, and I think  
6 as an informed consumer -- you know, you get these  
7 things in the mail, you get the phone calls because  
8 I haven't called to take myself off of that thing  
9 yet -- I think it's a lot of options, and I think  
10 it's important we keep those options as home owners  
11 and families. We need to be able to have a lot of  
12 options, and I think we have those options, and I  
13 welcome those options.

14                   Thank you.

15       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
16 Susan.

17                   Rita McGovern.

18       MS. McGOVERN: Good evening. My name is Rita  
19 McGovern, R-i-t-a M-c-G-o-v-e-r-n.

20                   I come as a resident of the northwest  
21 side of Chicago, and I believe that competition is  
22 good. It's needed. I think technology -- we have

1 an obligation to embrace technology and do what we  
2 can to move it along.

3 I have three daughters. We all have cell  
4 phones, me and my husband. We are considering  
5 losing our land lines just because nobody answers  
6 it. Everyone a cell phone, and that's how they get  
7 their calls. So it's becoming obsolete. So even  
8 being older, you have to think about those options.  
9 So I am glad we do have those options. I think they  
10 are good for everybody.

11 CHIEF PUBLIC HEARING OFFICER: Thank you, Rita.

12 And to prove that I show no favorites, I  
13 am going to call on Susan Satter who's with the  
14 Attorney General's Office.

15 MS. SATTER: Thank you very much.

16 CHIEF PUBLIC HEARING OFFICER: You're welcome.

17 MS. SATTER: My name is Susan Satter,  
18 S-a-t-t-e-r. I'm a Senior Assistant Attorney  
19 General and Attorney General at Lisa Madigan's  
20 office. I'm particularly in the public utilities  
21 bureau.

22 SBC is asking the ICC to take a big step

1 and review regulatory price review over residential  
2 prices.

3 As you know, we are examining the support  
4 for SBC's request to reclassify its residential  
5 service in northeastern Illinois as competitive.

6 We have been looking at the condition of  
7 competition in northeastern Illinois, and we do have  
8 some concerns. Just last October SBC purchased one  
9 of its largest competitors, that is AT&T.

10 In addition, recent regulatory changes at  
11 the federal level have added significance  
12 uncertainties to the efforts of small competitors to  
13 continue to serve residential consumers in Illinois.

14 We are looking at how these competitors  
15 see their future and also how these regulatory  
16 changes will affect the options available to  
17 consumers.

18 We are looking -- we are taking a close  
19 look at the evidence to ensure that sufficient  
20 competition exists to justify removing the price  
21 protections that have resulted in significant price  
22 decreases over the last ten years.

1           Based on our review of the competitive  
2 data, we expect to present formal testimony and  
3 analysis to you later in the case, and we will be  
4 happy to participate in the case when it comes  
5 formally before you.

6           Thank you.

7       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
8 Susan.

9           Lisa Zeigler.

10       MS. ZEIGLER: My name is Lisa Zeigler,  
11 Z-e-i-g-l-e-r, and I too am here as a consumer to  
12 report that I really enjoy all the choices that I  
13 have in my telecom choices.

14           I too take -- took a drink from the  
15 fountain of youth about three years ago and got rid  
16 of the land lines.

17           I am now cellular, and it has made my  
18 life a lot more easier, and it's been very much cost  
19 savings.

20           I also enjoy packaging my cable and my  
21 Internet together at home.

22           On the other hand, I am the

1 decision-maker at work on our business telecom  
2 choices, and after going through many of those  
3 different types of companies, I have found that  
4 actually SBC is one of the best ones for my business  
5 choices, but I realize I have a lot more personal  
6 choices and that there's a lot of new things coming  
7 on that I am going to be looking into as a consumer.

8                   So thank you.

9       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
10 very much.

11                   Jonathan Perman.

12       MR. PERMAN: Good evening. My name is John  
13 Perman. I am the executive director of the Evanston  
14 Chambers of Commerce. We represent 600 --

15       CHIEF PUBLIC HEARING OFFICER BENSKO: Could I  
16 interrupt you.

17                   Spell your name.

18       MR. PERMAN: I am sorry. P, like in Peter,  
19 e-r-m-a-n.

20       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you.

21       MR. PERMAN: We represent 650 member companies in  
22 Evanston and the Evanston area.



1           I just came about an hour ago from one of  
2 our niche groups that we created called The Young  
3 Professionals of Evanston. It's a group of about 75  
4 and growing young business people, and since I was  
5 coming tonight to this hearing, I began to ask them  
6 a little bit about what their telecommunications  
7 services are like, and one of the most remarkable  
8 findings was the tremendous variety and ways in  
9 which young people today, young business people, who  
10 are also, in many cases, by the way, residents of  
11 Evanston, communicate with one another.

12           There is no single source. They are  
13 using a great variety of different companies,  
14 different kinds of services. Some as has been  
15 suggested tonight have withdrawn from using a land  
16 line and are purely on cellular or companies like  
17 Vernage using VoIP.

18           It's quite astounding to see the interest  
19 and the sophistication that young people have today  
20 in the telecommunications marketplace, what they  
21 learned and what -- and allowing them to maneuver  
22 within what has been, I think, a fairly complicated

1 exercise.

2           The back bone of Evanston's economy today  
3 is very much a service economy, and it's been said  
4 that there are no anymore low tech industries.

5           There may be low tech companies within  
6 industries, but those businesses are going to have a  
7 difficult time competing.

8           So I wanted to talk tonight briefly about  
9 the make-up of the Evanston economy.

10           Many of these businesses are such that  
11 they don't go to an office every day. They may  
12 operate out of their home. So there may be many  
13 instances where there is a merging, so to speak, of  
14 the business and the residential activity.

15           Some may be using still residential  
16 lines. Some may be using a hybrid of that, but the  
17 basic point is that, when we talk about  
18 infrastructure for a community like Evanston and for  
19 the kind of businesses that we are trying to create  
20 in Evanston, the telecommunications industry and the  
21 ability to communicate affordably, conveniently and  
22 think towards the future is essential in order for

1 us to be competitive as a city.

2           I can't sell Evanston, quite frankly, as  
3 a low-cost community when it comes to land, and so  
4 the kinds of issues that differentiate Evanston and  
5 that do make it competitive really lie in our  
6 intellectual capacity, and the kinds of businesses  
7 that we are attracting and going to attract in the  
8 future are the kinds of businesses for whom  
9 telecommunications is an essential ingredient in  
10 their operation.

11           Therefore, we need to have a climate here  
12 in Evanston and in the state of Illinois that  
13 utilizes most effectively the built capital assets,  
14 that gives enough incentives for the  
15 telecommunications companies that we have here to  
16 invest in greater infrastructure and greater kinds  
17 of sophistication so that we can compete with other  
18 states and certainly with the world.

19           And businesses need telecommunications --  
20 just like other businesses, need the flexibility to  
21 adjust their rates and their services. Let me give  
22 you one quick other example.

1           One of the issues that we're grappling  
2 with here in Evanston right now is Evanston in a  
3 private -- public partnership is just completing the  
4 building of a 900-space garage.

5           The way that cities used to run parking  
6 garages was a very straight-line contract with an  
7 operator where the operator in a sense had their  
8 hands tied in terms of what kind of rates they could  
9 charge. Evanston is going to move to a contract  
10 this year with operators of other parking garages  
11 that allows us again flexibility and to be able --  
12 and the ability to adjust rates based on the real  
13 market demands.

14           Similarly, this asset that we've got, the  
15 telecommunications capital infrastructure, our  
16 telecommunications companies need that same kind of  
17 flexibility.

18           Thank you very much.

19       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you.

20           George -- it could be Migala, 6060 North.

21       MR. MIGALA: Good evening.

22           For the record, my name is George Migala.

1 Thank you for the opportunity to appear here this  
2 evening. The name is spelled M-i-g-a-l-a.

3 I'm a resident of the northwest side of  
4 Chicago, and I believe myself to be an informed  
5 consumer when it comes to telecommunication.

6 I have been a client of a number of  
7 different companies over the years such as  
8 Ameritech, AT&T, a number of years back, Quest,  
9 Earthlink, et cetera, and have always tried to shop  
10 for the best deal that I could get in terms of my  
11 telecommunications needs.

12 Currently I found that I have been able  
13 to bundle my needs under a package with SBC and  
14 Cingular and have my land lines and DSL and wireless  
15 cell phone with package to that company.

16 I believe that the market is competitive.  
17 I believe it should stay competitive and hope that  
18 it does and that if an informed consumer stays  
19 aggressive in terms of what he purchases and how he  
20 deals with the companies that he or she may have  
21 dealings with that he can benefit.

22 For example, an insert that I received in

1 the mail with a bill just a few months ago made it  
2 possible for me to get a free network interface  
3 device mounted on my -- on my phone lines, my hard  
4 lines at my home at no charge. Just a few years  
5 ago, getting such a device was something you had to  
6 pay for and pay for dearly.

7                   They came out and did it free and tested  
8 all of my wires inside the house at the same time.  
9 So I was quite pleased at that.

10                   I believe the market is competitive and  
11 hopes that it stays so. Thank you.

12       CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
13 George.

14                   Gerald Murphy.

15       MR. MURPHY: Good evening. My name is Gerald  
16 Murphy, M-u-r-p-h-y. I serve as the president of  
17 the Cook County Chamber of Commerce. I propose to  
18 speak personally.

19                   As a customer, I like to be a loyal  
20 customer, and as an example, I have been an Internet  
21 customer of Exnet for 11 years, Harris Bank for my  
22 business banking 14 years, Cell One and Cingular 15

1 years, West Suburban Bank for individual banking 25  
2 years and Illinois Bell and successors 37 years.

3 I like to do business with people I know,  
4 and when reading the papers on the Commerce  
5 Commission about this proposal today, I saw names of  
6 objectors I have never heard of. I don't know if I  
7 want to have them as customers. I am not saying  
8 they could be good or not, but this is my  
9 orientation.

10 However, I do look at things that are  
11 changing in terms of cable and Direct TV questions,  
12 high definition TV, Internet services and so on, and  
13 I am looking at these carefully as to the next set  
14 of decisions.

15 But it looks to me as if the main change  
16 here is to enable the company, the applicant, to be  
17 free to respond to market forces, and these are  
18 dramatic forces these days, and I think it's a  
19 generally good thing for the community and for  
20 individuals, and I am inclined to express support  
21 for it.

22 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,

1 Gerald.

2 Michael O'Connor.

3 MR. O'CONNOR: Good evening. That's Michael  
4 O'Connor, O--C-o-n-n-o-r.

5 I don't have prepared remarks, but I  
6 would like to speak to the issue of competitiveness  
7 tonight.

8 I'm a ten-year employee of SBC, now AT&T.  
9 I'm also chief steward with IBEW, Local 21.

10 I personally represent upwards of 3,000  
11 members in the city of Chicago that are providing  
12 telecommunications services every day.

13 I have witnessed, as you have heard  
14 earlier, the elimination of over 640 jobs of my  
15 fellow workers due to changes in the market.

16 I can personally attest to competition on  
17 the north side of Chicago.

18 I have personally installed and  
19 provisioned lines for more than a dozen competitive  
20 providers.

21 My members who work in the pay-coin  
22 division have been virtually cannibalized by cell



1 phones and competitive payphone providers.

2                   When it comes to the future of telecom,  
3 the future is going to be in broadband content.

4                   There is company, Comcast, which is the  
5 largest provider of broadband content in this area.  
6 They are unregulated. They pay their employees a  
7 miserable wage. They have 70 percent or more of the  
8 broadband modem market.

9                   My company is struggling with DSL to  
10 provide an alternative to that which can be bundled.

11                   You have heard speak of the legacy of  
12 universal service.

13                   My company is the only company which is  
14 heir to that legacy. We provide communication  
15 facilities, lines, equipment in every single  
16 community in the Chicago Metro area without regard  
17 to social economic standing or potential customer  
18 base in that community.

19                   And, lastly, I would just like to say  
20 that AT&T, as a company, pays a fair wage and  
21 employs a significant number of people in Illinois,  
22 and I would urge the Commission to side in favor of

1 the tariff because the company needs that pricing  
2 flexibility to compete, to enable itself to invest  
3 in the future of telecom in the same communities.

4 We are just asking for a pricing  
5 regulation. We still maintain to protect the grade  
6 of service guarantees that we've always delivered to  
7 our telephone customers.

8 Thank you.

9 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you  
10 Michael.

11 George Roturius. He is gone?

12 Sheila Lulkin.

13 MS. LULKIN: Thank you.

14 My name is Shelly Lulkin, L-u-l-k-i-n. I  
15 am from Chicago, Illinois, on the north lake front,  
16 and I am president of the Association of Sheridan  
17 Road Condominium Owners.

18 This is an organization of 33 buildings,  
19 over 7,000 units, over 15,000 residents, and we were  
20 very worried for a while.

21 People kept warning us that, because our  
22 area was the area that had the largest number of

1 home-based businesses in the city of Chicago and  
2 that it kept growing, that we were going to run out  
3 of telephone lines, that we were going to have to  
4 pull new lines into the buildings and that this was  
5 going to be very expensive.

6                   And the association boards were  
7 scratching their heads and starting to worry about  
8 it because, as you know, the city of Chicago passes  
9 a lot of ordinances for highrises, like fire safety  
10 and exterior facade rebate, and we were thinking  
11 that there was just going to be some more expenses  
12 coming.

13                   Well, it never happened. It never  
14 happened because of diversity in providing  
15 communications services.

16                   People started using cell phones. They  
17 didn't mean as many land lines. Faxes started  
18 coming in through the computers. E-mail grew. A  
19 lot of people bundled with Comcast which was --  
20 which is our major provider of cable on Sheridan  
21 Road, and so we haven't -- we haven't run out of  
22 phone lines on Sheridan Road because of the vast

1 array of service and competition that there is for  
2 us, and I am here to tell you that.

3 Thank you.

4 CHIEF PUBLIC HEARING OFFICER BENSKO: Thank you,  
5 Shelly.

6 Is there anyone else that would like to  
7 speak on the record right now?

8 I don't know whether you noticed tonight  
9 that, when I thanked everybody, I thanked them by  
10 their first name.

11 In doing that, I wanted to make everyone  
12 feel like we were a family, like, you know, this  
13 wasn't some stuffy hearing tonight.

14 Would I do that at our regular offices?  
15 No, I would not do that. But I wanted to make  
16 everybody comfortable in speaking tonight.

17 We have had a number of people speak  
18 tonight, and I do appreciate that.

19 John, is there anything you would like to  
20 say?

21 MR. HESTER: No.

22 CHIEF PUBLIC HEARING OFFICER BENSKO: Hearing

1 none, I will say one more time, does anybody want to  
2 speak on the record?

3                   Seeing none, we adjourn this meeting.

4 Thank you very much for coming tonight.

5                                   (Meeting adjourned.)

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